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Case 2014-08432, Case 1:14-cv-00014-A00010  
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6 NOV 1963

## FISCAL DIVISION

POLICY AND PROCEDURES MEMORANDUM NO. 12

SUBJECT: Payments To Be Reported To IRS On Form 1099

## A. POLICY

Compensation type payments processed by the Claims Branch will be recorded in Memorandum Accounts Nos. 755 and 799. The entry into the Memorandum Account will be made on the same Posting Voucher covering the payment to the contractor. The Memorandum Account will be used to accumulate by individual contractors amounts to be reported to IRS on Form 1099 each tax year.

## B. PROCEDURES

## 1. Claims Branch

a. Tax Year 1963

- 1) The Claims Branch will at the time last payment is made to a contractor (for which a Form 1099 is to be furnished) include on the same Posting Voucher (Form 2094) the Memorandum Accounts entry for the full amount paid to the specific contractor for tax year 1963. This amount will be secured from the hand posted records in the contract file.

- 2) The Memorandum Accounts:

755 - Payments to be Reported to IRS on Form 1099 - Debit

799 - Memorandum Account Central - Credit

- 3) Coding requirements for Accounts 755 and 799 are included in the Coding Requirements Handbook.

- 4) Header Cards:

Each account will have a Header Card and the information required. (See Section III, Header Card, paragraph 4, Coding Requirements Handbook.)

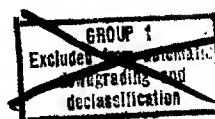
## b. Tax Year 1964

The Claims Branch will at the time Posting Voucher is prepared covering payments to contractors for which a Form 1099 is to be

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issued include the entry for Accounts 755 and 799. When the contractor is new a Header Card must be prepared. (See Section III, Header Card, paragraph 4, Coding Requirements Handbook.)

c. The Claims Branch will for Tax Year 1964 discontinue the hand posted record for this data.

d. Subsidiary Account Numbers

The number assigned to the specific contract will be used as the subsidiary contract number. This contract number will be placed in columns 47-52 of the Posting Voucher. As Form 1099's are issued for a tax year it will be necessary for Account No. 755 to carry as the fourth digit the last digit of the tax year - Example 755:3 Tax Year 1963. 755:4 Tax Year 1964. Due to the "alpha" prefixes assigned to contracts, it is necessary to assign numeric codes to the various alpha prefixes, and the following numeric codes will be used:

<u>Alpha Prefixes</u>	<u>Numeric Code*</u>
JPRS	7
PXG	8
XG	9

\* This code will be placed in column 47 of Form 2094.

<u>Contract Number</u>	<u>Code</u>	<u>Contract Coding</u>
JPRS 107	7	700107
JPRS 10162	7	710162
PXG 9	8	800009
JPX 25	8	800025
XG 2162	9	902162
XG 525	9	900525

e. Clearance of Account No. 755

When Forms 1099 are released to the contractors a Posting Voucher will be prepared to reverse the amounts accumulated for each contractor covered by the Form 1099's.

NOTE: When this entry is to be prepared ADPD personnel should be contacted for mechanical aid in clearing the accounts.

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Acting Chief, Fiscal Division

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